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agronomic options.

Dry-land producers have

really limited production capacity to rotate

crops for disease and weed control.

Normally,

a grain producer that has sufficient rainfall

or irrigation options can rotate its production

away from grains or grassy crops,

**into** grasses,

corn, or other crop rotations that enable him

to avoid diseases associated with continuous

production of a specific crop.

These disease

and weed situations are unknown for many of

these producers.

And producers currently are experiencing

historic low prices on major bulk commodities.

Low prices will force producers into USDA

programs that lock in the most benefit.

This,

in aggregate with commodity sales and insurance

proceeds, have enabled producers to break even.

Long-term whole farm contracts will not allow

sufficient flexibility to combat situations

that may arrive.

Nonperformance threats of

revocation of farm program benefits,

refunding

of all payments with interest, and other

violation penalties,

could create critically

adverse situations for the family farm.

I encourage program flexibility through,

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A, giving the county committee the authority to review program compliance and grant exceptions with conditions that allow for adverse situations; grant authority to establish penalties and allow partial complianc~ with ram reductions.

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appeals could be submitted to SWCD, NRCS, et

cetera.

There are many ways to expect --

express program flexibility in a contract

without compromising overall agreement.

The other area of concern that I have but

I didn't write down in my testimony is any

potential economic shifts that may occur.

The

economic shift is this, particularly in a low value crop:

What's keeping a producer from stopping producing wheat and just planting plain old grasses and grazing it?

He could still be in compliance with his --with his RMS program and opt out of production.

That would have an adverse effect on our communities.

And if you think about it, even in an irrigated situation where you're competing against water rights that might be~allocated to fish or to other concerns,

then the producer might opt to sell his water rights, just plant it to grass

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and graze it, and then just get out of

producing high-value, high-risk crops.

So those are the primary two areas that I

have concern with,

is allowing enough

production flexibility, and any potential

economic shifts for communities.

They won't

have the same boundaries that confine CRP,

particularly *in* terms of total acreage of a

particular county or region, or nesting

requirements,

or other things that may be

involved.

Thank you.

MR. BARTZ:

Jack, could I have you repeat

your B, under program flexibility, please?

MR. HAY:

Sure.

B is grant authority to

establish penalties and allow partial

compliance with corresponding program

reduction.

MR. BARTZ:

Thank you.

MS. BOYER:

Thank you, Jack.

Now we have

Bill De Jager,

followed by Jim Krahn.

MR. De JAGER:

**I'm** Bill De Jager, D-e

J-a-g-e-r.

representing Conservation Districts.

Many of the speakers here have gone over

other information that I think you needed, and

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have done an adequate job --**particularly** those

comments of John McDonald and Larry Ojua, about

pushing as much of the program guidance as far

down the scale as we can.

But I have one other

concern here,

and that- is that too often,

uidelines for im lementation of these new

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programs arrive at the field office level at  
some point, months after they should have been  
and when implementation needs to be started and  
begun at those areas --**at** those levels.

Furthermore,

I find that often when the

guidance does arrive,

it was written by lawyers

and other high priced paper shufflers, and that

-

it needs to be translated before it can be of

use to soil scientists,

farmers, and range

managers.

MS. BOYER:

Thank you, Bill.

And then

next we have Jim Krahn; and then following

that,

that completes the list of folks we have

signed **up to** give testimony.

But please come

over to me if you've decided that you would

like to present testimony.

Sarah had to step

out, so I've got the list here.

MR. KRAHN:

Well,

thank you very much.

1.

appreciate --My name is Jim Krahn --J-i-m,

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K-r-a-h-n --and I represent the Oregon Dairy  
Farmers Association.

I do appreciate the  
opportunity to be here today.

Bob is smiling  
because I think he's worried about what I might  
say.

And,  
again,  
to Martin Dorn and Senator

Smith's people, we really do appreciate this  
opportunJ.ty.

It's a good thing I did lose my 47-page  
document that Bob gave to me to present to you,  
because it would have taken a lot longer than  
five minutes, Bob --just kidding.

The one area --and I'm also speaking  
today on behalf of the Washington Dairy

-  
Federation, and that would have totaled about  
1300 dairy operations in the two states.

QUI

major concern,

as we look at the documents and

hear the presentations,

it appears to us that

the major emphasis is on soil and water

quality.

We think those are two very important

areas.

Our industry has been involved in those

areas for many, many years.

We've **spent a lot**

of dollars and a lot of time meeting state and

federal regulations.

However,

we really feel

that you are absolutely missing the boat,

if

air quality is not equal to soil and water

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quality.

We'll be implementing air quality

regulations;

**and** as we do that,

it will have a

drastic impact upon what occurs within the soil

situation.

A very simplistic~example **would be:**

If

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sulfit~ gas emissions, and we have an anaerobic  
lagoon,

we cover that with a fiber of some  
sort,  
we eliminate volatilization into the air  
of nitrogen,  
t\_hus we're capturing the entire  
amount of nitrogen, thus overapplication to  
that particular soil or that operation could be  
very,  
very extensive.

And so,  
quite frankly,

we **in our industry**

consider the soil and water part kind of stuff  
that we're just dealing with every day,  
and

it's not really as --I don't mean to say it  
quite this way --**as** much of a priority,  
however, as the air quality issue is.

**And we**

believe that those three things do intertwine  
very,

very closely.

And both of our states

would encourage you very,

very **much to**

encourage air **--to** put air quality **--and** that

includes odor, gas emissions, and particulates

**--at** an equal basis to soil and water.

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Without that,

I really believe we're missing

the boat, and I think we're "behind again.

And in our industry, especially,

**when** cows

come off pasture,

than push them.

we'd much rather lead them

And if you've ever been around

a cow right off pasture,

you understand exactly

what **I'm** saying.

So **without including this air**

quality issue at this level,

in our industry,

we **truly talk about,**

in the next five to ten

years, air quality will --when it's applied to

a dairy **--and** we think other livestock

entities are in that same boat --it's not

going to be a question of how you operate your

-  
dairy or your feed lot

it's going to be a

question of whether you can or not.

The importance of this issue is beyond a

lot of people's realization; but,

trust me,

it's here and it's --and it's going to be an

issue for everyone,

whether you're a crop

farmer --and that's the particulate issue --

or whether you are in the livestock business --

and that's the ammonia and odor issues.

So,

again,

thank you very much for being

here, and I appreciate the opportunity.

MS. BOYER:

Thank you very much, Jim.

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Next we have --we had a few that we

missed on our list --**Mike Barsotti** will be

followed by Dalton Straus.

MR. BARSOTTI:

Good afternoon, gentlemen,

and thank you for taking the time to come to

Oregon.

My name is **Mike Barsotti, B-a-r-s-o-t-t-i.**

I have about 30 years of experience working

with USDA, and equal amount in the field and at

the staff level and state headquarters.

And

would like to say that we are blessed in Oregon

with great folks in our three USDA agencies

that I work with --**with** NRCS, FSA,

and the

Forest Service --a great team and great

partners.

The Department of Forestry really applauds

this program and welcomes it, as it deals with

the unintended consequences of many of our USDA

programs of excluding those that are true

stewards.

But we are extremely frustrated that

it leaves off the family forest landowners.

In

Oregon,

we have about 40,000 family forest

landowners with 10 acres or more, managing

about four and a half million acres.

Now,

I thought we had come to learn that

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managing resource by resource,

land use by land

use, has got us in the problem that we're in.

If for us to understand how **--understand** the

complexity of watersheds, we need to move

together and understand how they interreact and

how the different land uses all play their role

in creating a healthy system.

This program

reflects an old vision,

according to us.

Now1

family forest landowners in Oregon

lost about a million dollars of annual support

when ACP went to EQIP.

We've **lost another**

million dollars of support when FIP and SIP

disappeared.

And now we're frustrated in that

we are told, at the same time we're excluded

from this program,

that the federal government

believes that FLIP was redundant and that we

need to turn to our partners *in* NRCS to support

us.

The support we're getting from the USDA is

just a mere fraction in the single digits, from

what we had just ten years ago.

So while we

support this program and we support the

concept,

we're extremely frustrated that it is

leaving out a significant part of Oregon's

watershed.

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Thank you for your time.

MS. BOYER:

**Thank** you, **Mike**.

Dalton Straus,

followed by Dan Goffin.

MR. STRAUS:

I'm Dalton Straus.

That's

D-a-l-t-o-n, S-t-r-a-u-s.

First, I applaud the agency's efforts in

trying to address all the myriad of concerns

that we all have out here.

And,

David,

I

thought you did an exceptional job of

explaining the things you have done to try to

address our issues.

**I'm** a little frustrated,

like Mike

Barsotti who was just up here, about the loss

of so many programs in the past and the change

in direction,

I guess,

that the farm programs

have taken.

But for the CSP, one of the things

**--two** of the things I think **--three** of the

things that concern me,

the first is the impact

on the personnel, on the employees of NRCS out

in the field.

At this point,

they're about two

years behind in trying to address the current

request for EQIP.

And it's with all of the

permit processes and things that they have to

go through to get those things through.

It's

going to be the same with CSP.

It just --**It**

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puts a real load on their folks,  
and they're  
stressed to the point of real frustration.

And **the other,**

the next thing that I want  
to address is --I see this as somewhat  
discriminatory,  
from the standpoint that we are  
rewarding the best, as it says; but the best --  
as I see it, at least,  
the best have already  
been rewarded, from the standpoint that they've  
taken advantage of farm programs to improve the  
operations on their ranch; and the ones that  
were able to do that were the ones that had --  
were already financially able to come up with  
matching funds to accomplish those programs.

The poor, struggling farmer out there,

**the one**

that really needs the help,

that we really need

to bring up by the bootstraps to do these kind

of things, he's going to have to start from

scratch.

And I guess I don't feel that it's

quite fair,

that the folks that have already

taken advantage of these programs to bring

their level of ~onservation up to the level

we'd like to see it, will be rewarded,

where

are the ones that haven't been able to, because

of inability to come up with matching funds,

can't.

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The last thing I would like to emphasize

is your commitment to young and beginning

farmers and ranchers.

And it was mentioned in

one of the latter paragraphs,

the very small

paragraph on young and beginning farmers and

**6 ranchers -- I think that's an area that somehow**

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we need to try to attract the younger folks

back to or on the farm.

And one of the ways,

think,

was mentioned was maybe increasing the

cost-share benefits for those younger farmers

I

and ranchers, and I don't want to lose track of

that fact.

Thank you very much.

MS. BOYER:

Thanks,

Dalton.

And as far as what I have written down

here,

the last person we have here presenting

testimony is Dan Goffin.

Again, if anybody

else would like to, stop over and **I'll** put you

on the list.

MR. GOFFIN:

Dan Goffin, G-o-f-f-i-n.

**I'd** like to thank Bob and everybody for

being here.

This is a great opportunity for

you to see what we have accomplished here in

this state,

through our partnership:

NSA,

NRCS, SWCD --**the** whole BLM, everything.

We

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have worked many years to get this partnership

going;

and I would encourage, as in previous

testimony,

that we get this down on each state

level.

Because we have the knowledge here a~d

the working partnership to make this work, but

my concern is priority:

If we can send it down

to the state and the states work on their

priorities, I think it's a better option.

I

know there's funding limitations,

**that we have**

to phase it in.

And,

also,

the previous speaker,

he

brought up something I hadn't thought about:

Yes, many of the programs have helped many of

our producers,

**in the pa'st, to get to this**

point; but the ones that are still struggling

to get there, hopefully,

in the long run, it

won't restrict them from being participants in

the program.

But I think it's an excellent idea.

We  
have relied too much on this commodity,  
which,  
here in Oregon --**Marion** County,  
where I **am**,  
**I'm** a SWCD director,  
farm bureau member, and  
everything *elset*

**I'm** on six different boards --  
Marion County has over 220 crops, and our  
average field size is 18 acres.

We are the

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humber one ag producing county in Oregon, and  
have been for the last --I don't know how many  
years.

We outdistance the rest of them.

But we need lots of flexibility here in

Oregon, because it's a whole lot different here

**than the Midwest. When you look at 220 some**

crops,

versus corn and beans,

those things, we

have diversity here that is extremely difficult

to match, and we need the flexibility.

If it

can come down to the state level --**because I**

know Bob's staff,

we all work together --it is

an excellent program,

as far as I can see --

there's a lot of confusion of it, but I don't  
want it to leave out the ones that are trying  
to get to the point either.

So somehow --**It's** a hard thing to deal  
with; but because of trade restrictions, we  
need to get rid of the welfare system sooner or  
later --because everybody says we are  
subsidizing our crops.

Whether we are or not,  
it's perceived as that; so we've got to change  
our way of doing it.

And this is one potential  
of doing that, and maybe making everything --  
There's a lot of bugs to be worked out in the  
system.

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But thank you for coming;

I really

appreciate **it**.

This is something I've felt

we've needed to do for many years; and we're

finally getting there, but it's going to be a

slow process.

MS. BOYER:

Thank *you* very much, Dan.

If

we don't have anybody else who would like to

present testimony, **I'd** like to,

**again, on**

behalf of the panel, give a sincere thanks to

you who have provided formal testimony.

At **this point,**

we'll go off the record and

switch into the next piece of our agenda.

(PROCEEDINGS ADJOURNED 2:57 P.M.)

(NOTE:

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Untranscribed steno notes

archived ten years on computer;

transcribed English files archived

five years on computer.)

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1 number one ag producing county in Oregon, and 2 have been for the last --I don't know how many 3 years. We outdistance the rest of them.

I4 But we need lots of flexibility here in

5 Oregon, because it's a whole lot different here  
6 than the Midwest. When you look at 220 some  
7 crops, versus corn and beans, those things, we

I8 have diversity here that is extremely difficult

I9 to match, and we need the flexibility. If it

10 can come down to the state level --because I [11 know Bob's staff, we all work together --it is

12 an excellent program, as far as I can see --

13 there's a lot of confusion of it, but I don't

14 want it to leave out the ones that are trying

115 to get to the point either.

, .  
i 16 So somehow --It's a hard thing to deal

17 with; but because of trade restrictions, we

118 need to get rid of the welfare system sooner or 19 later --because everybody says we are

20 subsidizing our crops. Whether we are or not,

21 it's perceived as that; so we've got to change

122 our way of doing it. And this is one potential

I 23 of doing that, and maybe making everything --

24 There's a lot of bugs to be worked out in the

25 system.

54

1 But thank you for coming; I really

2 appreciate it. This is something I've felt

I3 we've needed to do for many years; and we're

4 finally getting there, but it's going to be a

5 slow process.

6 MS. BOYER: Thank you very much, Dan. If

7 we don't have anybody else who would like to

I8 present testimony, I'd like to, again, on

I9 behalf of the panel, give a sincere thanks to

10 you who have provided formal testimony.

11 At this point, we'll go off the record and

12 switch into the next piece of our agenda.

13 (PROCEEDINGS ADJOURNED 2:57 P.M.) 14 \*\*\*

: 15 (NOTE: Untranscribed steno notes

]16 archived ten years on computer;

17 transcribed English files archived

18 five years on computer.)

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1 Thank you for your time.  
 I 2 MS. BOYER: Thank you, Mike.  
 3 Dalton Straus, followed by Dan Goffin.  
 4 MR. STRAUS: I'm Dalton Straus. That's  
 5 D-a-l-t-o-n, S-t-r-a-u-s.  
 I6 First, I applaud the agency's efforts in  
 ,7 trying to address all the myriad of concerns  
 8 that we all have out here. And, David, I  
 9 thought you did an exceptional job of  
 10 explaining the things you have done to try to  
 11 address our issues.  
 12 I'm a little frustrated. lik~ Mike  
 13 Barsotti who was just up here, about the loss  
 14 of so many programs in the past and the change 15 in direction, I guess, that the farm programs  
 16 have taken. But for the CSP, one of the things  
 17 -two of the things I think --three of the  
 18 things that concern me, the first is the impact  
 19 on *the* personnel, on the employees of NRCS out 20 in the field. At this point, they're about two  
 21 years behind in trying to address the current  
 22 request for EQIP. And it's with all of the  
 23 permit processes and things that they have to  
 24 go through to get those things through. It's  
 25 going to be the same with CSP. It just -It

50

1 puts a real load on their folks: and they're  
 2 stressed to the point of real frustration.  
 3 And the other, the next thing that I want  
 4 to address is --I see this as somewhat  
 5 discriminatory, from the standpoint that we are  
 6 rewarding the best, as it says; but the best-  
 7 as I see it, at least, the best have already  
 8 been rewarded, from the standpoint that they've  
 I 9 taken advantage of farm programs to improve the 10 operations on their ranch; and the ones that  
 11 were able to do that were the ones that had -  
 12 were already financially able to come up with  
 13 matching funds to accomplish those programs.  
 14 The poor, struggling farmer out there, the one

15 that really needs the help, that we really need  
16 to bring up by the bootstraps to do these kind  
17 of things, he's going to have to start from  
18 scratch. And I guess I don't feel that it's  
19 quite fair, that the folks that have already  
20 taken advantage of these programs to bring  
21 their level of conservation up to the level  
22 we'd like to see it, will be rewarded, where  
23 are the ones that haven't been able to, because 24 of inability to come up with matching funds,  
25 can't.

51

11 The last thing I would like to emphasize  
2 is your commitment to young and beginning  
3 farmers and ranchers. And it was mentioned in 4 one of the latter paragraphs, the very small  
15 paragraph on young and beginning farmers and 6 ranchers -I think that's an area that somehow  
7 we need to try to attract the younger folks  
8 back to or on the farm. And one of the ways, I  
9 think, was mentioned was maybe increasing the 10 cost-share benefits for those younger farmers  
11 and ranchers, and I don't want to lose track of ~ that fact. ~  
13 Thank you very much.  
14 MS. BOYER: Thanks, Dalton.  
115 And as far as what I have written down  
,16 here, the last person we have here presenting  
17 testimony is Dan Goffin. Again, if anybody  
18 else would like to, stop over and I'll put you  
19 on the list.  
20 MR. GOFFIN: Dan Goffin, G-o-f-f-i-n.  
21 I'd like to thank Bob and everybody for  
122 being here. This is a great opportunity for  
23 you to see what we have acc~mplished here in 24 this state, through our partnership: NSA,  
25 NRCS, SWCD --the whole BLM, everything. We

52 -

/ 1 have worked many years to get this partnership  
2 going; and I would encourage, as in previous  
3 testimony, that we get this down on each state  
4 level. Because we have the knowledge here and 5 the working partnership to make this work, but  
6 my concern is priority: If we can send it down  
7 to the state and the states work on their  
8 priorities, I think it's a better option. I  
9 know there's funding limitations, that we have  
i 10 to phase it in.  
i 11 And, also, the previous speaker, he  
12 brought up something I hadn't thought about:  
13 Yes, many of the programs have helped many of 114 our producers, in the past, to get to this  
15 point; but the ones that are still struggling  
16 to get there, hopefully, in the long run, it  
17 won't restrict them from being participants in  
18 the program.  
19 But I think it's an excellent idea. We  
20 have relied too much on this commodity, which, 21 here in Oregon -Marion County, where I am,  
22 I'm a SWCD director, farm bureau member, and 23 everything else, I'm on six different boards --  
24 Marion County has over 220 crops, and our  
25 average field size is 18 acres. We are the

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I 1 quality. We'll be implementing air quality  
2 regulations; and as we do that, it will have a  
3 drastic impact upon what occurs within the soil  
4 situation.

I 5 A very simplistic example would be: If

6 we're trying to meet ammonia gas emissions or  
7 sulfite gas emissions, and we have an anaerobic 8 lagoon, we cover that with a fiber of some  
9 soil, we eliminate volatilization into the air  
10 of nitrogen, thus we're capturing the entire  
11 amount of nitrogen, thus overapplication to  
12 that pallicular soil or that operation could be  
13 very, very extensive.

14 And so, quite frankly, we in our industry  
15 consider the soil and water pal kind of stuff  
16 that we're just dealing with every day, and  
17 it's not really as -I don't mean to say it  
18 quite this way -as much of a priority,  
19 however, as the air quality issue is. And we  
20 believe that those three things do intertwine  
21 very, very closely. And both of our states  
22 would encourage you very, very much to  
23 encourage air -to put air quality -and that  
24 includes odor, gas emissions, and particulates  
25 -at an equal basis to soil and water.

47

1 Next we have -we had a few that we  
2 missed on our list -Mike Barsotti will be .  
3 followed by Dalton Straus.

I 4 MR. BARSON!: Good afternoon, gentlemen,  
5 and thank you for taking the time to come to  
6 Oregon.

I 7 My name is Mike Barsotti, B-a-r-s-o-t-t-i.

8 I have about 30 years of experience working  
9 with USDA, and equal amount in the field and at  
10 the staff level and state headquarters. And  
11 I'd like to say that we are blessed in Oregon  
12 with great folks in our three USDA agencies  
13 that I work with -with NRCS, FSA, and the  
14 Forest Service -a great team and great  
15 partners.

16 The Department of Forestry really applauds  
17 this program and welcomes it, as it deals with  
18 the unintended consequences of many of our USDA 19 programs of excluding those that are true  
1 20 stewards. But we are extremely frustrated that  
21 it leaves off the family forest landowners. In  
22 Oregon, we have about 40,000 family forest  
23 landowners with 10 acres or more, managing  
24 about four and a half million acres.

I

125 Now, I thought we had come to learn that

46

1 Without that, I really believe we're missing  
2 the boat, and I think we're behind again.  
3 And in our industry, especially, when cows  
4 come off pasture, we'd much rather lead them  
5 than push them. And if you've ever been around 6 a cow right off pasture, you understand exactly  
7 what I'm saying. So without including this air  
8 quality issue at this level, in our industry,  
9 we truly talk about, in the next five to ten  
10 years, air quality will -when it's applied to  
11 a dairy -and we think other livestock  
12 entities are in that same boat -it's not  
13 going to be a question of how you operate your 14 dairy or your feed lot; it's going to be a  
15 question of whether you can or not.  
16 The importance of this issue is beyond a  
17 lot of people's realization; but, trust me,  
18 it's here and it's -and it's going to be an  
19 issue for everyone, whether you're a crop  
20 farmer -and th~t's the particulate issue --  
21 or whether you are in the livestock business -  
22 and that's the ammonia and odor issues.  
23 So, again, thank you very much for being  
24 here, and I appreciate the opportunity.

125 MS. BOYER: Thank you very much, Jim.

I

4B

1 managing resource by resource, land use by land i 2 use, has got us in the problem that we're in.  
I 3 If for us to understand how -understand the  
4 complexity of watersheds, we need to move  
5 together and understand how they interreact and 6 how the different land uses all play their role  
7 in creating a healthy system. This program  
8 reflects an old vision, according to us.  
9 Now, family forest landowners in Oregon  
10 lost about a million dollars of annual support  
11 when ACP went to EQIP. We've lost another  
12 million dollars of support when FIP and SIP  
13 disappeared. And now we're frustrated .in that  
14 we are told, at the same time we're excluded  
15 from this program, that the federal government  
16 believes that FLIP was redundant and :that we  
17 need to turn to our partners in NRCS to support 18 us.  
19 The support we're getting from the USDA is  
20 just a mere fraction in the single digits, from  
21 what we had just ten years ago. So while we  
22 support this program and we support the  
23 concept, we're extremely frustrated that it is  
24 .leaving out a significant part of Oregon's  
I 25 watershed.

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1 A, giving the county committee the authority to  
2 review program compliance and grant exceptions 3 with conditions that allow for adverse  
4 situations; grant authority to establish  
5 penalties and allow partial compliance with  
6 corresponding program reductions; or; C,  
7 appeals could be submitted to SWCD, NRCS, et 8 cetera. There are many ways to expect --  
9 express p~ogram flexibility in a contract  
10 without compromising overall agreement.  
11 The other area of concern that I have but  
12 I didn't write down in my testimony is any  
13 potential economic shifts that may occur. The  
14 economic shift is this, particularly in a low  
15 value crop: What's keeping a producer from  
16 stopping producing wheat and just planting  
17 plain old grasses and grazing it? He could  
18 still be in compliance with his --with his RMS  
19 program and opt out of production. That would  
20 have: an adverse effect on our communities. And 21 if you think about it, even in an irrigated  
22 situation where you're competing against water  
23 rights that might be allocated to fish or to  
24 other concerns, then the producer might opt to  
25 sell his water rights, just plant it to grass

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1 and graze it, and then just get out of  
2 producing high-value, high-risk crops.  
3 So those are the primary two areas that I  
4 have concern with, is allowing enough  
5 production flexibility, and any potential  
6 economic shifts for communities. They won't  
7 have the same boundaries that confine CRP,  
8 particularly in terms of total acreage of a  
9 particular county or region, or nesting  
10 requirements, or other things that may be  
11 involved.  
12 Thank you.  
13 MR. BARTZ: Jack, could I have you repeat  
14 your B, under program flexibility, please?  
15 MR. HAY: Sure. B is grant authority to  
16 establish penalties and allow partial  
17 compliance with corresponding program  
18 reduction.  
19 MR. BARTZ: Thank you.  
20 MS. BOYER: Thank you, Jack. Now we have 21 Bill De Jager, followed by Jim Krahn.  
22 MR. De JAGER: I'm Bill De Jager, D-e  
23 J-a-g-e-r. representing Conservation Districts.  
24 Many of the speakers here have gone over  
25 other information that I think you needed, and

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1 have done an adequate job -particularly those  
2 comments of John McDonald and Larry Ojua, about 3 pushing as much of the program guidance as far  
4 down the scale as we can. But I have one other

5 concern here, and that is that too often,  
6 guidelines for implementation of these new  
7 programs arrive at the field office level at  
8 some point, months after they should have been  
9 and when implementation needs to be started and 10 begun at those areas -at those levels.  
11 Furthermore, I find that often when the  
12 guidance does arrive, it was written by lawyers -: 13 and other high priced paper shufflers, and that  
14 it needs to be translated before it can be of  
15 use to soil scientists, farmers, and range  
16 managers.  
17 MS. BOYER: Thank you, Bill. And then  
18 next we have Jim Krahn; and then following  
19 that, that completes the list of folks we have  
20 signed up to give testimony. But please come  
21 over to me if you've decided that you would  
22 like to present testimony. Sarah had to step  
23 out, so I've got the list here.  
24 MR. KRAHN: Well, thank you very much. I  
25 appreciate -My name is Jim Krahn -J-i-m,

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1 K-r-a-h-n -and I represent the Oregon Dairy  
2 Farmers Association. I do appreciate the  
3 opportunity to be here today. Bob is smiling  
I 4 because I think he's worried about what I might  
5 say. And, again, to Martin Dorn and Senator  
! 6 Smith's people, we really do appreciate this  
7 opportunity.  
8 It's a good thing I did lose my 47 -page  
9 document that Bob gave to me to present to you, 10 because it would have taken a lot longer than  
11 five minutes, Bob --just kidding.  
12 The one area -and I'm also speaking  
13 today on behalf of the Washington Dairy  
14 Federation, and that would have totaled about  
15 1300 dairy operations in the two states. Our  
16 major concern, as we look at the documents and 17 hear the presentations, it appears to us that  
18 the major emphasis is on soil and water  
: 19 quality. We think those are two very importar:lt  
; 20 areas. Our industry has been involved in those 21 areas for many, many years. We've spent a lot 22 of dollars and a lot of time  
meeting state and  
23 federal regulations. However, we really feel  
24 that you are absolutely missing the boat, if  
25 air quality is not equal to soil and water

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1 ten years of working with NRCS conservation 2 programs here in Oregon.  
3 And I think the bottom line at this point  
I4 for me is that this proposed rule has put --  
5 created an impossible situation both for you  
6 all and for us. We are trying, at the moment, I7 to develop local implementation guidelines for  
8 this program, without a final rule --which is

9 really complicated. It's further complicated  
10 by the fact that the proposed rule is largely  
11 inconsistent with the legislation that created  
12 the program. And I fear that where we're  
13 headed is that we will end up with a flawed  
14 final rule that's going to lead to rushed  
15 implementation, with Bob trying to get money 16 out the door in the final month of the fiscal  
17 year.  
18 We'll be looking at revisions, again, next  
19 year -continuing chaos --and I think, as  
20 several people have alluded to, a loss of faith 21 in the program by a lot of people out there who 22 are already doing it, and perhaps  
somewhat  
23 skeptically, but I think started out very  
24 optimistically. So as many of the other people 25 have said, I think I would suggest that we're

3B -

1 probably better off looking at taking a little  
2 more time coming out with a supplemental rule 3 than starting over again, perhaps.  
4 My conclusion so far, though, is that,  
5 based on what I can figure out --which I've  
6 had some difficulty with this as well --it's  
7 not at all. unclear to me that the program, as  
8 now structured, is adequate to get really good 9 stewards to sign up; and part of it, as people  
10 have said, is the base payments are way too 11 low. The enhancement payments, which, you 12 know, I think really should have  
been viewed -- 13 or were intended to be an incentive, are really 14 cost share; and the cost-share rates that are 15 proposed are too low  
to really induce people to 16 take on those things.  
17 I think the most significant thing to me  
18 is standing back as an outsider -and I will  
19 defer to my associates here who make their  
20 living in this every day --but I don't see a  
21 lot here that's going to contribute to an  
22 improved bottom line for the producer, which, 23 for me, says: If you're a good steward now,  
24 why are you going to get into this, unless it's  
25 actually going to help you?

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1 So I think, as everybody has recognized,  
12 the program does have tremendous potehtial; but 3 it really does need to be done right, from the  
4 beginning, starting with an approach and a  
5 structure that was designed, primarily, I  
6 think, to limit enrollment and to limit the  
7 cost that the federal government will incur,  
8 which is not the right approach. I think most  
9 of us recognize that the problems here are not  
110 NRCS's problems alone; a lot of this came out  
11 of the Office of Management and Budget.  
12 I certainly wish you luck in trying to  
13 rationalize this, in coming up with a final  
14 rule or a new supplemental rule, that addresses  
15 the concerns you hear here today. Thank you.  
16 MS. BOYER: Thank you, Bruce. Now we have 17 Jack Hay, followed by Bill De Jager.  
18 MR. HAY: My name is Jack Hay. J-a-c-k,  
19 H-a-y. I barely got through that one.  
20 \_My concern today centers on program  
21 flexibility. Compliance flexibility for

22 long-term agreements is my primary concern.  
23 This is magnified by whole farm contract.  
24 Agreements that exceed five years can  
25 become a problem for producers with limited

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1 agronomic options. Dry-land producers have  
2 really limited production capacity to rotate  
3 crops for disease and weed control. Normally,  
4 a grain producer that has sufficient rainfall  
5 or irrigation options can rotate its production  
6 away from grains or grassy crops, into grasses,  
7 corn, or other crop rotations that enable him  
8 to avoid diseases associated with continuous  
9 production of a specific crop. These disease  
10 and weed situations are unknown for many of  
11 these producers.  
12 And producers currently are experiencing  
13 historic low prices on major bulk commodities.  
14 Low prices will force producers into USDA  
15 programs that lock in the most benefit. This,  
16 in aggregate with commodity sales and insurance 17 proceeds, have enabled producers to break even 18 Long-term whole farm  
contracts will not allow  
19 sufficient flexibility to combat situations  
20 that may arrive. Nonperformance threats of  
21 revocation of farm program benefits, refunding  
22 of all payments with interest, and other  
23 violation penalties, could create critically  
24 adverse situations for the family farm.  
25 I encourage program flexibility through,

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I33 1 working cooperatively with the NRCS, to create  
2 a dynamic, useful, and visionary program to  
3 reward the farmers in our state for their  
4 conservation practices. Thank you.  
I 5 MS. BOYER: Thank you. We have John  
6 McDonald; and he'll be followed by Bruce  
7 Taylor.  
8 MR. McDONALD: My name is John McDonald 9 J-o-h-n, and McDonald IS M-c-D-o-n-a-l-d, as in  
10 hamburger.  
11 I'm the executive director of the Oregon  
-12-ASS-Q-Ciation of Con~e~tio~a~.:  
\_13 district director, and a hazelnut farmer, a  
114 hazelnut grower. So thank you for including us  
15 when you -when you put in orchards.  
i 16 I have set back here and listened to the  
17 testimony of other individuals and have  
18 consequently decided to throw my notes away and 19 just talk about one thing. I've turned in  
120 written testimony to\_Sarah and also to Bob, so  
21 you will have those.  
! 22 I want to make one statement and just

23 reiterate what's already been said: Please  
24 make this as local as possible. It comes down  
25 to what are the resource concerns? There are

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1 things, for example, that if we did all we  
2 wanted to do on water quality and soil quality,  
3 we would not effect much change, because there 4 are few other resource concerns out there that  
5 are either going to reverse what you're trying  
6 to do or prevent you from making much progress. 7 Let me tell you one experience I had. I  
8 was privileged to be a member of the design  
9 team for the workload analysis that NRCS did a 10 couple years ago. We learned a lot; next time  
11 we're going to do it better. But the one thing  
12 that I had trouble with, as the one lone soil  
13 and water conversation district outside person  
14 sitting in a room with 11 federal technicians,  
15 was that they don't understand the West. They  
16 kept saying, "Well, we developed this model in  
17 Texas, and then we innovated it in Ohio."  
18 And we developed a thing that says: Tell  
19 me your typical unit. And they said, "Okay.  
20 That's easy on some places."  
21 And I said, "In my county alone, in  
22 Oregon, I've got a hundred commercial crops.  
23 What's the typical unit? There's a 5-acre  
24 place over here making \$75,000 raising  
25 blueberries; and there's a 2000-acre farm over

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there, barely making a living. What's the  
typical unit?"

It even took some people coming out here  
for three days, driving around Oregon, to find  
out we have two things: Complexity and  
diversity. We are the ones that know the land best. We are the ones that know the resource concerns best. We are also the ones that  
know probably what practices will do good, and  
probably what it costs and what .it's going to  
take.

Now, "m nnt .c:~ing I ~m thR nne th~t h~.c:- 13 the answers. I am saying that we, as a system  
14 here in Oregon, which we call the Oregon  
15 Conservation Partnership, have worked long and 16 hard to develop a system whereby we take this  
17 kind of information, from the very lowest  
118 point, the landowner, up to a watershed, up to  
19 a district, up to a basin, up to the state.  
I 20 And the leader sitting next to you is a guy who  
21 understands that the top is driven by the  
I22 bottom, and then he leads us back down, kind of 23 like a percolator: It starts up, flows up, and  
24 then comes back down. We like that system. It  
25 works well. We're able to deal with the issues

2 3 4 5 6 7 8 9  
10 11  
1?

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I 1 as they are, in reality. So, please, when you  
i 2 say "we know best," make sure the "we know  
3 best" is us out here. Make it as local as  
4 possible, put it as state as you have to, and  
5 let us do the job. Thank you.

6 MS. BOYER: Okay. Next testimony from  
7 Bruce Taylor, followed by Jack Hay.

8 MR. TAYLOR: My name is Bruce Taylor.  
9 That's B-r-u-c-e, T -a-y-l-o-r. I wish I could

10 throwaway my notes like John, but I probably 11 wouldn't be as organized or as eloquent.

12 I'm Bruce Taylor. I'm here of Defenders

13 of Wildlife. Defenders is a national nonprofit

14 organization that's had a longstanding interest 15 in conservation incentives for private

16 landowners and was a strong supporter of the 17 Conservation Security Program. Defenders is 18 also a member of the Sustainable  
Agriculture 19 Coalition, which will be submitting comments -- 20 I'm sure, very detailed comments --on this.

21 And I'll perhaps spend a little as well.

22 I just wanted to offer my perspective as a

23 member of the state technical committee and a 24 member of a CSP subcommittee that's begun

i 25 struggling with this program, and based on my

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1 and complicated program on a national basis.

2 It is recognized that this task was made even

3 more difficult due to a capped entitlement in

4 the initial year of implementation, and with

5 unknown and changing funding levels. However, 6 we are concerned the complexity of the proposed 7 regulations and the limitations  
on eligibility

8 to participate will result in a negative

9 reaction from our producers. We believe many 10 producers have already concluded the potential 11 benefits that are to be derived  
from the

12 program as currently proposed will be *offset* by 13 the complex requirements for application and

14 the inability to determine whether or not their

15 contract will ultimately be approved.

16 In addition, most producers will simply be

17 ineligible to participate under the currently

18 proposed regulations. The challenge now is to 19 overcome this discouragement. This can be

20 accomplished by simplifying producers and

21 broadening the parameters for participation, as 22 intended by the authors of the original

23 legislation. In general, we urge that the

24 regulations be simplified and less restrictive

25 as to the initial selection criteria for

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1 eligibility. Latitude should be given to state

2 conservationists and their staff, to create the

3 program to meet the most pressing environmental 4 and conservation needs in their state or within

5 their regions of their state, with the active

6 participation of producers working in that

7 group.

8 Also, to maximize the benefit of federal

9 expenditures on conservation funding, the  
10 program should be applicable to commercial  
11 sized operations. The program should also be  
12 implemented on a diverse geographic basis, in  
13 order to give a broad number of producers a  
14 good sense of how beneficial the program can be 15 to their operations.  
16 We are concerned that too much emphasis is 17 being placed on soil and water quality rather  
18 than addressing other conservation concerns  
19 that may be applicable to various regions. Air  
20 quality, energy, wildlife, and other  
21 environmental benefits should be allowed to be 22 part of the base practices in enhancement  
23 programs. While we understand the initial  
24 reasoning for targeting watersheds, we would  
25 contend that CSP should be available to all

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1 agricultural producers throughout our nation,  
2 as intended by the creators of the legislation,  
3 Senators Harkin and Smith, rather than just a  
4 few watersheds.  
5 A supplemental rule should now be issued  
6 to reflect the parameters of an uncapped  
7 program. The supplemental regulation should  
8 eliminate the watershed priority approach and  
9 provide avenues for all producers to qualify  
10 and participate in CSP, as well as to allow  
11 participation by producers who agree to address 12 any or all of the major natural resources of  
13 concern, as spelled out in the NRCS field  
14 office technical guide, by the end of the CSP  
15 contract period. The supplemental regulation  
16 should provide for the full base payment, cost  
17 share, and enhanced payments, as required in 18 the statute.  
19 Finally, these supplemental regulations  
20 should eliminate the enrollment categorical  
21 ranking system, as there is now no reason to  
22 artificially restrict payment eligibility. In  
23 addition, the regulations should allow for a  
24 continuous, year-round sign-up. Program  
25 payments should be made through the Farm

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1 Service Agency, and these payments should not 2 interfere with existing landlord/tenant  
3 arrangements.  
4 The Oregon Wheat Growers League, under  
5 separate note, in correspondence to the NRCS, 6 requests supplemental regulations be drafted  
7 and made public prior to the final adoption and  
8 implementation of the program. To date, the  
9 league has not been advised of the release of  
10 supplemental regulations or NRCS's intention to 11 draft such regulations.  
12 The Oregon Wheat Growers League  
13 respectfully reiterates its request for the  
14 release of supplemental regulations and an  
15 existing --and an extension of the comment  
I  
16 period, to write producers interested in

17 participating in the program, an opportunity to 18 review the regulations and comment. If the  
19 grassroots does not have an opportunity to  
20 understand the program, the outcome may be 21 undesirable.  
! 22 Thank you for the opportunity to provide  
23 the perspective of the Wheat Growers League 24 today. I, together with the entire board of  
25 directors for the league, look forward to

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1 from participation in the CSP. The Oregon  
I 2 Wheat League believes the CSP can be an  
3 effective program to reward conservation and  
4 stewardship, and promote enhanced conservation 5 and production in agriculture. We urge that in  
I 6 order to achieve the maximum investment for  
7 conservation dollars, the program must be  
8 geared to commercial sized operations.  
9 Thank you.

110 MS. BOYER: Thank you, Jerry.

11 Larry Ojua, and then Ken Greb.

17 MR () IliA. I ~ , r\;'.~ I ~ ~. ~"I";"~ '-~'-I-¥

\_13 O-j-u-a.

14 For the record, I'm Larry Ojua with the  
115 Oregon Department of Agriculture. And thank  
16 you for the opportunity to provide comments on  
17 the CSP program. We'll be submitting written  
18 comments, but I'd like to cover six points that  
19 will be the focus of our written comments.  
20 The department is very excited about the  
21 CSP I and we feel it's a good opportunity to  
22 combine CSP with some of Oregon's producers' 123 good --in marketing Oregon's producers' good  
24 stewardship.  
25 The first point we will comment on has to

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12 13 14 15 16 17 18 19 20 21 22 23 24 25

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do with allowing funding for CSP to be made available to each state, and the rule should allow conservation partners in each state to  
select priority watersheds eligible for CSP.  
If we truly want to reward the best and  
motivate the rest, then it makes good sense to rely on local input and expertise at the state level, to identify what constitutes a priority  
watershed. In making this determination, the state technical committee, along with input from industry and local conservation districts  
and other producers, can consider things such as local capacity, past conservation work, and cooperation of partners.

The second issue has to do with allowing the states to select activities that will  
receive enhancement payments, even if the selected activities do not fall within the list  
of national priorities. The list of practices eligible for existing and new practice payment should come directly from each state's field  
office technical guide; or, B, considered and approve by the state technical committee. This is extremely important in a state like

Oregon, where we have a number of specialty crops.

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1 Third point: In the final rules, NRCS  
 2 should specify which restrictions will be  
 3 lifted if the budget cap is lifted. There  
 4 should be a process to make a transition into  
 5 full implementation. For example, if the  
 6 budget cap is lifted, will the base payments be  
 7 -the base payments, incentive, and cost-share  
 8 payments be increased to a level that will  
 9 motivate producers to participate? And will be 10 the states be allowed to transition into more  
 11 than one priority watershed?  
 12 significant water quality issue in the Pacific  
 13 Northwest and should be included in the  
 14 definition in the rule under water quality.  
 15 Number five: CSP cost-share rates are  
 16 proposed to be lower than other programs. CSP 17 cost-share rates should be consistent with  
 18 environmental quality incentive programs  
 19 cost-share rates, to ensure program uniformity 20 and reduce confusion among producers.  
 21 Number six: Enrollment subcategories  
 22 should be developed to encourage and facilitate 23 tribal participation in CSP.  
 24 Thank you.

1  
 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25

28

MS. BOYER: Thank you, Larry. We have Ken Grieb, followed by John McDonald.  
 MR. GRIEB: If you try and follow along, I  
 told Bob my -I timed it last night, it was  
 5:50; and he said something about electric  
 shock if you went over 5:00, so I've cut some  
 out here. But the written testimony, if you  
 try and follow along, that's why you'll get  
 messed up.  
 But good afternoon. My name is Ken Grieb; that's K-e-n, G-r-i-e-b. And I'm a wheat  
 producer from Morrow County, and I'm here today representing the Oregon Wheat Growers League, as the immediate past president.  
 During my tenure on the executive  
 committee of the Oregon Wheat Growers League, the officers and board members of the league devoted a great deal of discussion and  
 attention to the structure of the Conservation Security Program. The Oregon Wheat Growers League adopted a position of support for  
 the Conservation Security Program.  
 We commend the Natural Resources and Conservation Service for developing proposed regulations for implementing a new far-  
 reaching

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1 the maximum number of producers to actively  
 2 participate in the program.  
 3 The draft rules do not meet the basic  
 4 tenets established by the league. Supplemental  
 5 rules have been requested; and by my appearance 6 today, I wish to respectfully reiterate the

7 importance of the issuance of supplemental  
8 rules and an extended comment prior to the  
9 final decision-making process concerning the  
10 implementation of this program.  
11 The Oregon Wheat Growers League, after a  
12 thorough review of the draft regulations,  
13 provides the following recommendations:  
14 Definition of an agricultural operation. One  
15 of our main concerns pertains to the definition  
16 of an agricultural operation. The proposed  
17 definition of an agricultural operation is  
18 broad in scope and is subject to inconsistent  
19 interpretation. This definition is also  
20 inconsistent with any description in any other  
21 conservation or farm program. It would require  
22 complicated eligibility determination process  
23 for the NRCS, that would be new to the agency  
24 and to the producer.  
25 Under the current definition, this program

22

1 would only be viable for a few small farmers  
2 who own contiguous property. Under the current 3 logic, commercial sized farms will not  
4 participate in this program. My definition of  
5 a commercial farm is a farm that the operator  
6 drives most, if not all, of their income from  
7 agricultural activities. These are the farms  
8 that, over the long run, must succeed if  
9 America is to maintain a strong agricultural  
10 sector with the best environmental practices in 11 the world.  
12 Today, these commercial sized farms  
13 provide the world with an abundant food supply 14 as well as the most sustainable environmental 15 practices being used in the  
world today. Let's  
16 make sure that we don't leave out the full-time  
17 conservationists in this program.  
18 In most commercial sized farms, producers 19 operate many different units, with multiple  
20 land owners. For federal farm programs, these 21 operations are defined within a county, by  
22 common operators, who meet specific eligibility 23 requirements, including definitions of active  
24 management.  
25 The definition of an agricultural

23

1 operation, for the purposes of implementing and 2 administering the CSP, should be consistent  
3 with the Farm Service Agency's definition of a  
4 farm. This would facilitate the eligibility  
5 terminations for the agency and producer.  
6 We are equally concerned about the  
7 proposed requirements that must -the  
8 applicant must have control of the land for the  
9 life of the CSP contract in order for  
10 eligibility. We are deeply concerned that some 11 operators go from year to year. The new  
12 sign-up --you have an annual sign-up, that's a  
13 concern.  
14 Water, watershed prioritization. All  
15 producers have met --who have met basic

16 eligibility requirements should be able to  
 17 apply for the CSP program, regardless of  
 18 watershed in which their operation is located.  
 19 This is not supposed to be a watershed program; 20 this is a comprehensive conservation program 21 and should be implemented as  
 such.  
 22 Categories. Another confusing aspect of  
 23 the draft rule is the ranking of enrollment  
 24 categories. This will further limit  
 125 eligibility and participation. The process in

24 -

1 which these categories are ranked is overly  
 2 complex and unnecessary.  
 3 The funding priorities. The proposed  
 4 regulation places a disproportionate amount of  
 5 rental payments on enhancement activities  
 6 rather than base or maintenance payments. One 7 of the stated purposes of the CSP was to reward 8 producers who were good  
 conservationists and  
 9 stewards, based on practices already in place.  
 10 However, the proposed regulation provides only 11 about 5 to 15 percent of the respective tier  
 12 payments can be paid base payment.  
 13 Rewarding participants for this prior  
 14 accomplishment is especially significant in the  
 15 early stages of the program. It should be  
 16 considered, as the program becomes more fully 17 implemented. that many conservation practices 18 take multiple years before the  
 rewards of those 19 practices are fully realized. If the producer  
 20 is only compensated for those practices in the  
 21 year in which they're implemented, they will  
 22 not be highly motivated to take on long-term  
 23 projects.  
 24 We contend that this low percentage of  
 25 base payment rental will discourage producers

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I 17 I  
 1 heavy workload --we had 190 EQIP sign-ups last I 2 year, about 15 times what we could afford to  
 3 pay for. We couldn't make it work, so we  
 4 started a program that started training farmers  
 5 to do their own RMS plans, did workshops, gave  
 6 them the paperwork, gave them the instructions.  
 7 I've competed and worked with the creative  
 i 8 farmers, and they're highly intelligent and  
 9 good operators. They can draw up probably 50  
 10 or 60 percent of their farm plan. We don't  
 11 need to pay district employees, we don't need  
 ! --1.2- to pa¥ NB.CS ernplo¥eeS--tO-be-doing thi~ I etj 13 them do that part; the technical part that has  
 14 to be done at the state and district level, the  
 15 templates for endangered species, things like  
 16 this, can be added in at a later point in time  
 17 --which one of the major reasons for this, in  
 18 my opinion, is each participant has a buy-in:  
 19 He understands the plan, he knows how it works,

20 he knows what he needs to do. And like I said,  
21 that's going to save us time and money. That's  
22 the second issue. And to deal with that also,  
23 if a third-party vendor or technical assistants  
24 came in and wrote a form, on the table end,  
25 we're going to have to sit down with him and

18 -

1 teach him what it says what it does and spend  
2 the money on the other end. So I think buy-in  
3 is real important. He's got to understand  
4 where he's going and why he's going there.  
5 I think as far as criteria and what we're  
6 working with, I don't have all the answers, but  
7 we talk about swapper -or soil, water -I've  
8 got to get this right -plant, soil, water,  
9 air, plant, animal- I think we've covered  
10 those issues. If we go to the priority  
11 resource concerns in those areas and make sure 12 they meet quality criteria, I don't think it's  
13 going to matter what type of farming we do, or  
14 whether it's organic or inorganic, everybody's  
15 going to understand them and it's going to be a 16 workable situation.  
17 One other concern I have is a little bit  
18 with your crop rental, your own land, rented  
19 land. Where I own land, I have total control  
20 over it. I'm responsible for not only the -  
21 got to word this right -my technique or my  
22 soil testing, things like that, but I also  
23 control the physical ways I irrigate, things  
24 like that. So somehow within this process, I'd  
25 like to see a setup where on the land I totally

19

1 control, go full-bore on it. But land that I  
2 rent and farm for somebody else, I may not  
3 receive credits for work I do on that; but I  
4 won't receive negative *effect* on the land I  
5 own, because of that -where I can, like I  
6 said, I can do the soil testing, I can do the  
7 irrigation management, I can do the rotation,  
8 the chemical rotations or lack --you know,  
9 limiting use on that, but I can't change the  
10 physical structure. So there needs to be a  
11 balance in that.  
~ 2 -I fin w~nt tn th~nk )inll VA~ ml J~h fnr  
13 coming out and listening to us. I think this  
14 is probably a key part in this issue. I also  
15 want to make a statement that I'm not confused 16 on a higher level. There's a lot of things  
17 that we're going to have to comment on as we go 18 along, and we learn. Part of it is learning  
19 each other's language, and things like that.  
20 So I'll be sending in written comments, as time 21 goes on, also. We're going to hurry on this  
22 go-around, but I think we'll probably end up  
23 doing some adjusting.  
24 MS. BOYER: Thank you, Mike. We have  
25 Jerry Rietmann. And, again, I do want to

1 remind you that Jerry's just providing the  
2 perfect example: If you do have written  
3 testimony here, would you make sure that you  
4 turn it in here at the registration table or to  
5 one of us here. so that we've got it. So Jerry  
6 Rietmann. and after that, Larry Ojua.  
7 MR. RIETMANN: The name is Jerry Rietmann 8 That's J-e-r-r-y, R-i-e-t-m-a-n-n.  
9 Good afternoon. My name is Jerry  
10 Rietmann. I'm a fourth generation wheat grower 11 and farm in both Gilliam and Morrow Counties.  
12 I'm here as a representative of the Oregon  
13 Wheat Growers board of directors. I serve as  
14 the Federal Farm Program committee chair on  
15 this board. The Oregon Wheat Growers League 16 board of directors endorsed the creation of the  
17 Conservation Security Program, with the  
18 understanding that the program would meet three 19 basic requirements: One, voluntary  
20 participation by producers; retroactive to  
21 reward the producers who have conducted  
22 conservation practices on their farms before  
23 they new financial renumeration would be  
24 available through the federal program; and  
25 third, inclusive in nature and scope to entice

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1 neighbor's field and ran out into Hill Ranches  
2 and ran 150 yards and went into the ground.  
3 Bad thing for us --Bad thing for them, good  
4 thing for us. The reason I tell you this is  
5 because we have had, in my opinion, very little  
6 support from NRCS in Umatilla County. In fact,  
7 when I have an opportunity to speak, I call  
8 that the hotbed of apathy. The growth in what  
9 we're doing there seems to be very minimal.  
10 Comments, now, about CSP: What a great 11 concept, a great, great concept. I endorse it  
12 completely. And then I also have great empathy 13 for anyone who has to implement a template that 14 this applies across the  
country; because, you  
15 know, you change ZI P codes, and all of a sudden 16 you have a different soil type, you have  
17 different topography, you have a different  
18 climate. You see rain. I saw rain today. We  
19 haven't seen --In the last five years, we  
20 haven't had a great deal of that. That's a new  
21 concept. We're going to have to learn how to  
22 deal with that one.  
23 In NRCS, I believe that you have the tools  
24 already in place, of people that know what the  
25 problems are, know the -know the land, and

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they are --they are there and willing. The constraints that have been put on them in the past, with the finely narrowed definitions, have really --have really hurt us. So I would --I would like to see that --the local people given more authority to assess the problems than trying to do it on broad spectrum.

An anonymous source in NRCS told me -- "anonymous," that's a Washington D.C. term-- told me that if the CSP was initiated today, if it was funded today, that we would be tier three. It's like a dog with pups: (I never be able to find him, if it ever gets funded.

I have fears. Two percent of agriculture is taking --making the financial commitment and the risk in this world, and 98 percent -- the other 98 percent of the United States is going to put their influence in on this, in on this program. What I desperately want, I want agriculture to have the primary voice. I believe that the others need to --need to be heard, but I think that this is a case of the tail wagging the dog. I believe that we have agriculture in the balance. In the last four years --in the last year, I've seen four

15

11 producers in my area quit, flat quit. I think  
2 -Is ag going to survive in the United States,  
3 or was AI Gore right? I hope he was wrong, but 4 I think that -I think this is an opportunity.  
5 CSP certainly won't -it's not a savior, but  
6 it's certainly a start.  
7 Thank you very much for coming and hearing 8 me. Thank you.  
9 MS. BOYER: Thank you. Next to testify is 110 Mike Barlow, followed by Jerry Rietmann.  
11 MR. BARLOW: I'm Mike or Michael Barlow. 12 M-i-c-h-a-e-I, B-a-r-l-o-w. I represent the  
13 Oregon Association of Conservation Districts.  
14 And I also thank the panel for taking the time,  
15 coming to hear from us, and I appreciate your 116 allowing our input.  
17 One of my major concerns -and I'm going 18 to use my exact script -but that we get good  
119 balance between top-down and bottom-up. I  
20 think there's got to be some stability  
21 throughout the country, to make sure every  
122 commodity, every type of farm, every type of ag  
23 resource gets an even chance to work in this - 24 or an equitable chance.  
I 25 I also think that there's some conditions,

16

1 -situations, and knowledge on the grassroots  
2 level and the local level, that we're going to  
3 have our input to make it work also -such as  
4 resource concerns, the priority of resource  
5 concerns, and how we solve them in our area. I

6 think the state organization is the lucky one  
7 that gets stuck in the middle, to make that  
8 balance work, and I think that's probably going  
I 9 to be of key importance to the situation.

I 10 The other thing that I want to address at  
11 this point in time, other than the fact that  
12 we're going to have to trust each other and  
13 work it out a little bit at a time, in some of  
14 these situations, is some concerns with also  
15 the priority areas and how they're being  
16 chosen. I think there's many ways to look at  
17 this.

18 My first question is: Has anybody ever  
19 done an inventory on how many conservation or  
20 resource management plans have been drawn up? 21 How many people are really ready to go into  
22 this? And that, in itself, may start capping  
23 things.  
24 One of the easiest things I was involved  
25 in when I was in office, that's got a really

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1 the contract with the USDA, and the willingness 2 to meet certain conservation goals. The  
3 conservation criteria should not be restricted  
4 to soil and water quality, but, in addition to  
5 meeting water base and group priorities, should I 6 remain flexible enough to meet the particular  
7 environmental resource needs of a given farm, 8 on a case-by-case basis. Criteria should be  
9 abandoned in favor of conservation objective  
10 setting, baseline assessment, encouraged  
11 practices, and monitoring to assure that  
~2 eeRse:--:atieA e!::jeGti-ves-ar:e-met.--  
\_13 In regards to the contract, I support the  
14 recommendation of priority funding of producers 15 adopting enhancement activities, including  
16 assessment and evaluation information. I think 17 that monitoring and assessment are the most  
118 important tools of CSP and a successful farm  
i 19 operator. Again, in addition to addressing the  
20 priority concerns, cSP must remain flexible  
21 enough to address the resource priorities of  
22 given farm and include consideration for their  
23 market demands such as producing food free of 24 agrichemicals and supporting salmon habitat.  
25 Finally, rather than a top-down oligarchy

10

1 dictating best management practices, CSP needs 2 to be seen as an opportunity to engage  
3 producers in their base groups in soil and  
4 water conservation districts, in order to make  
5 more informed local, regional, and national  
6 recommendations. I think that category should  
7 be stricken from CSP; instead, CSP should make 8 a concerted effort to reach out to the  
9 nontraditional Federal Farm Program  
10 participants and address real environmental  
11 concerns. CSP eligibility needs to be

12 even-handed, transparent, and avoid business as 13 usual. And I've spoken to payments, and I'll  
14 send you those notes.

15 Final comments: CSP needs to reach the  
16 nontraditional Federal Farm Program  
17 participants, and that means organic including  
18 farmers. The proposed rules need to address  
19 how the department will coordinate for organic  
20 farmers who are certified under the USDA's  
21 national organic program.  
22 Additionally, the rules should allow the  
23 conservation resource concern priorities to be  
24 set at the local and state level, and allow  
25 farmers to choose at least two of the five

I11

1 resource concerns in tier one and tier two.  
2 Finally, the proposed rules should provide  
3 payment support for all NRCS-approved  
I4 conservation practices, and encourage the use  
5 of new, innovative practices to on-farm  
6 demonstration and pilot testing. CSP has  
7 tremendous potential to reward our nation's  
8 best innovative producers, but only if we guard 9 against business as usual and expand our  
I10 consideration of recognized conservation  
11 practices to reflect those early adopters and  
12 il:tl:to!ator:s-rbe cur:r:e~tn lle's r:eliaoce on  
\_13 priority watersheds and involvement categories I4 generalizes CSP and eliminates the potential to  
I15 embrace and recognize our most proactive  
16 agricultural producers.

I17 Thanks.

18 MS. BOYER: Currently is Fritz Hill, and  
19 on deck there is Mike Barlow.

20 MR. HILL: Is this going to take away from 21 my hour and 18 minutes? Is this going to get  
22 subtracted, the five minutes?

23 I have one other --Before you start, I

24 have one other comment: You have given new 125 meaning to tall cotton. I thought cotton

-12

1 farmers were --Okay.

2 Hi, name is Fritz Hill. F-r-i-t-z,

3 H-i-I-I.

4 Self-assessment. I'm here on behalf of

5 myself. Now, we've raised wheat, barley,

6 canola, and other crops, with my son, on about 7 8000 acres. My son's aggressive. That's how

8 much it was this morning when I left. There's

9 no telling right now.

10 But I'm also here --And I'm on the board

11 of the directors of the Pacific Northwest

12 Direct Seed Association. I want to categorize

13 what we have done, again, in the assessment,

I

14 and to tell you where we are. We have one of 15 the only sprayers in North America right now

16 that senses weeds: It does spectroanalysis and 17 only sprays when there is chlorophyll.

18 Don't look at me like that. I don't know

19 how it works, either.

20 MR. McKAY: I've seen them.

21 MR. HILL: I don't know how it works,

22 either, but it --but it works. I have always

23 seen through our practices --and we're direct 24 seeders --that we have --we had a thunder

25 vent last night and water came out of a

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1 1 MS. BOYER: Thank you, Rebecca. Next to 2 testify J.J. Haapala, and next on deck would be

I 3 Fritz Hill.

, 4 MR. HAPALA: My name is J.J. Haapala;

5 J.J., H-a-a-p-a-f-a.

6 I farm 50 acres outside of Junction City,

7 next to the Willamette River. I grow organic

8 vegetables and seeds. Since 1992, I've

9 conducted on-farm research on my farm,

10 including research in the crop uptake of

11 residual soil contaminants and how to

12 biomediate them. And currently I'm a partner

113 of the USDA, IFS grant with Oregon Tilth,

14 Cornell University, and the Plant Genetic

15 Resources Unit in Geneva, to evaluate and breed 116 vegetable crops for organic agriculture on the

17 East Lane County Soil and Water Conservation 18 District and currently sit on the River Road

19 Irrigation Control Board.

20 I was fortunate to participate in the

21 drafting of the Conservation Security Program,

22 and' know what a tremendous effort it has been 23 to make this historic program a reality. I am

thankful to have the opportunity to comment,

25 and I look forward to commenting on a revised

6

1 rule, in light of the new budget, that works

2 for farmers and the environment, as intended by 3 Congress.

4 As an organic farmer, I have always had to

5 pay extra to farm in an environmentally sound

6 manner. I've had to pay for organic

7 certification. I have had to pay for extensive

8 testing to avoid plant and residual DDT and

19 chlordane. Finally, I've had to obtain lower

10 prices for my product, to accommodate the

11 expectation of a public that has been raised on 12 50 years of federal farm policy providing them

13 with free food.

114 In short, CSP, as originally drafted,

15 offered me a glimmer of hope for redressing our 16 nation's upside-down farm policy, that has

17 traditionally hurt the best and bought out the

18 rest. Unfortunately, the skeletal version of

19 CSP we're seeing today and commenting on,

20 largely fails to keep that hope alive.

21 First, I offer my general comments on the

22 current proposed rule. The proposed rule fails

23 to provide a nationwide program and address the 24 inequities of federal farm policy that we

25 farmers continually struggle with here in

7

1 Oregon, limiting CSP to farmers within a small  
2 number of watersheds, further limiting those  
3 *applicants* to enrollment categories and  
4 subcategories, requiring that every single NRCS 5 conservation standard be met prior to  
6 enrollment, and is contrary to law. And,  
: '7, \_fin~Ily..offerjng pennies on the dollar for  
~, "-'.. ,  
;~ -GQst jshare ~Takes the incentive out of drafting  
9 conservation contracts with the USDA.  
10 I fear that the CSP will go the way of  
11 most other NRCS programs here in Oregon. With 12 limited time and limited funds, the programs go  
13 to a farm already involved with the  
14 conservation districts, without regard to his  
15 or her environmental performance, so that  
116 limited NRCS personnel can satisfy their  
17 federal mandate and call it a day.  
118 To avoid this outcome, I request that we  
19 consider: One, to revise the rule to reflect  
20 Congress's intent in the current budget; two,  
21 to offer the program to all farmers and  
22 ranchers willing to sign a conservation  
23 contract and meet certain environmental  
24 objectives; three, offer meaningful cost share  
25 and rental rates that warrant the time and

B

1 investment required to participate in the  
2 program. Cost share rates for conservation  
3 should be set at 75 percent maximum rate  
4 established by Congress; and base payment  
5 should be set at the rate established in the  
6 CSP law, without the 90 percent reduction.  
7 Enhanced payments should provide for complete 8 cost recovery -not be treated as cost share,  
9 but as bonuses to reward exceptional  
10 performance.  
11 In response to the request for specific  
112 comments: First, on limited sign-ups, I would  
! 13 rather see a first come, first served approach  
14 than the priority watershed approach that  
15 rewards only the best farmers. The irony of  
16 offering CSP for the best farmers who are in  
17 part responsible for the priority rating of the  
118 watershed is a reflection of the crisis that  
19 NRCS programs and soil and water conservation 20 districts currently face. If the priority  
21 watershed approach is adopted, CSP should be 22 made available to all producers in the  
23 watershed.  
24 Eligibility. Eligibility should be based  
25 on a participant's willingness to enter into

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18 Before Ms. Meta Boyer, Moderator

19

20 APPEARANCES: Rebecca Siplak, J.J. Haapala, 21 Fritz Hill, Michael Barlow, Jerry Rietmann,

22 Larry Ojua, Ken Grieb, John McDonald, Bruce 23 Taylor, Jack Hay, Bill De Jager, Jim Krahn,

124 Mike Barsotti, Dalton Straus, and Dan Goffin.

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Wednesday, February 25, 2004

"1 :54 P.M.

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1 WEDNESDAY, FEBRUARY 25, 3004; SALEM, OREGON 2 MS. BOYER: The first person from whom

3 we're going to have testimony today is Rebecca

4 Siplak, and then on deck will be J.J. Haapala.

5 MS. SIPLAK: My name is Rebecca Siplak.

6 Rebecca, S-i-p-l-a-k.

7 Thank yOu very much for coming out here.

8 I'm really excited that you're here. This is

9 one of the things I've definitely gotten on the

10 bandwagon lately about.

11 I'm here representing Food Alliance. We

12 are a local nonprofit organization that

13 provides third-party certification to farmers

14 and ranchers, encouraging the increased

15 adoption of environmental and social

16 stewardship practices through market

17 incentives. We also work closely with the land

18 stewardship project in the Midwest. And I'm

19 really excited and want to see this program be

20 as effective as it can be.

21 And I have three things I'd like to bring

22 up. Number one, I would like to see that

23 sign-ups are continuous and not periodic. This

24 process could make it extremely difficult to  
25 communicate with producers.

3

1 My second idea is about helping to reduce  
2 administrative burden, since it seems to come  
i' 3 up a lot. I, first of all, would like to  
4 encourage NRCS to consider allowing  
5 simultaneous sign-up for producers that are  
6 already certified under other programs, such as 7 USDA National Organic Program; consider Food 8 Alliance certification; Protected  
Harvest is  
I 9 another nationally recognized program.  
10 These operators have already undergone  
11 self-assessment in going through the process; 12 the wouldn't necessaril need to take the time 13 to go through that self-assessment.  
And our  
114 organizations have on file records that prove  
15 that they have already come in compliance with 16 a number of things required for the program.  
17 So I'm hoping that you'll consider perhaps  
18 contracting out with some organizations on  
19 helping to relieve your administrative burden  
20 and helping us to communicate with our  
21 producers. We're on the ground, we know what 22 they're doing; and I don't know how that could  
23 work, but I think it's just something that  
24 could merit consideration.  
25 Finally, I'd like to suggest that you

4 -

1 allow individual states and regions to work  
2 together, and to be flexible in addressing  
3 issues that are important for the geographic  
4 locations in question. Perhaps consider  
5 allowing the NRCS technical guide to be edited  
6 for the current times, to include innovative  
7 practices that are now being found and  
.8 developed all over the country. For instance  
9 --and some of these came up at the session  
10 that we had in Aurora a few weeks ago -some 11 innovative practices that merit attention  
12 include monitoring water temperature and/or  
13 reducing water used for irrigation; monitoring  
14 and testing for soil phosphorus levels,  
15 especially as it relates to animal feeding  
16 rations and manure management. This one,  
17 creating harvesting techniques that preserve  
18 wildlife and beneficial organisms habitat. And  
19 one more, buffer strips that are managed around 20 waterways planted within indigenous plant  
21 material and are maintained to be free from all 22 pesticide drift, whether it's synthetic or  
23 natural. So those are just a few. I could go  
24 on and on, but thank you very much; I  
25 appreciate your time.

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